

ADMINISTRATIVE SERVICES

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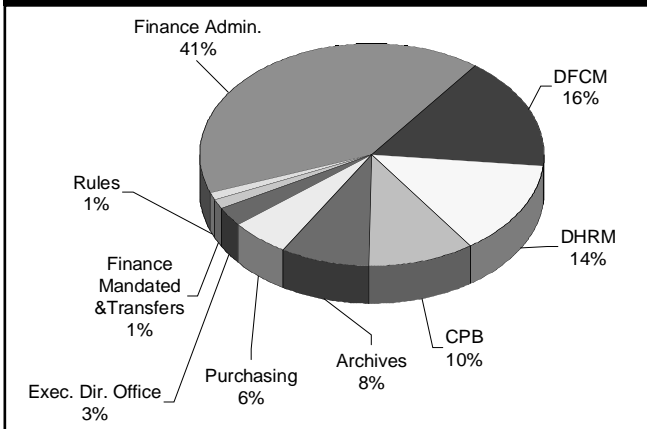
AGENCY BUDGET OVERVIEW

ADMINISTRATIVE SERVICES AGENCIES INCLUDE:

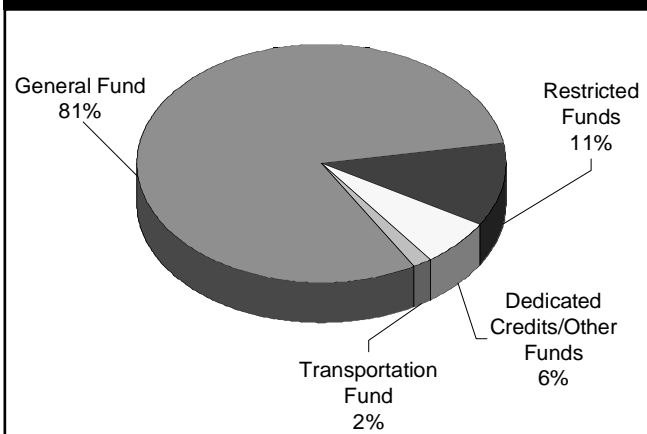
- Administrative Services
- Capitol Preservation Board

Mission: *Deliver centralized services at competitive costs while exceeding customer expectations and provide operation and maintenance for the Capitol Hill Complex*

Where Will My Taxes and Fees Go for Administrative Services?
(Total FY 2007 Operating Funding is \$28,902,300)



Financing of Administrative Services Agencies
(Based on FY 2007 Operating Budget Recommendations)



MAJOR ACCOMPLISHMENTS AND SERVICES

(Headings include funding in Governor's Recommendations)

Finance Administration - \$11.8 million

- Prepares the state's Comprehensive Annual Financial Report and received the Certificate of Achievement for Excellence in financial reporting for the twentieth year in a row, a record matched by only four other states
- Collected \$9.7 million of debts owed the state through the FINDER system
- Implemented time-saving technology through Employee Self Service (ESS) so employees can enter time directly into the payroll system

Facilities Construction and Management (DFCM) - \$4.7 million

- Oversaw an estimated 521 construction projects with total expenditures of \$228 million
- Managed 360 leases with annual rentals of \$24 million
- Completed 93 percent of capital improvement projects within one year of funding

Human Resource Management (DHRM) - \$4.0 million

- Created and implemented an annual workforce planning report to help understand and monitor the various trends and attitudes within the state's workforce
- Began consolidation of human resource programs and services to meet mandates and requirements identified in the 2005 General Session, House Bill 319, *Expansion of Department of Administrative Services Oversight to Include Human Resource Management* (Buxton)

Archives - \$2.4 million

- Completion of the new Archives repository facility and new Utah History Research Center has improved preservation and care of historical records as well as delivering expanded services to increased and new audiences

Purchasing - \$1.6 million

- Manages statewide contracts worth \$420 million of purchases
- Privatized state copy centers to provide annual savings to agencies

Capitol Preservation Board (CPB) - \$2.9 million

- Provides ongoing operation and maintenance for seven buildings on the Capitol Hill Complex

RECOMMENDATIONS: GOVERNOR'S GOALS AND INITIATIVES

(See itemized table for full list of recommendations)

Provide additional funding for LeRay McAllister Critical Land Conservation Fund

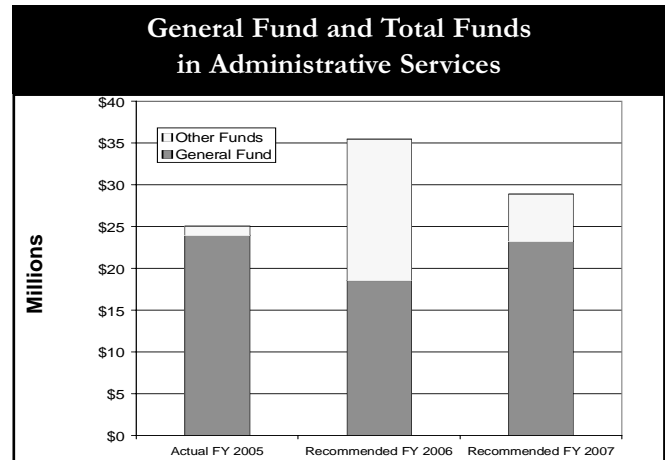
- Provide grants to communities and landowners with \$2,517,400 one-time General Fund to conserve or restore lands that are important to the community such as those with agricultural, wildlife habitat, watershed, recreational, and cultural or historical value
 - Since it was established in 1999, the Quality Growth Commission has approved 52 projects to conserve or restore over 54,500 acres of Utah's critical lands. In that time, it has spent \$13 million. This amount was matched nearly 5:1 with \$72 million from local governments, federal programs, and private donations.
 - Demand for land conservation dollars continues to increase at a rate greater than appropriations. Pre-applications for calendar year 2005 grants totaled nearly \$18 million, while appropriations to the fund in the 2005 General Session totaled \$3.3 million.

Consolidate the human resource function into one agency

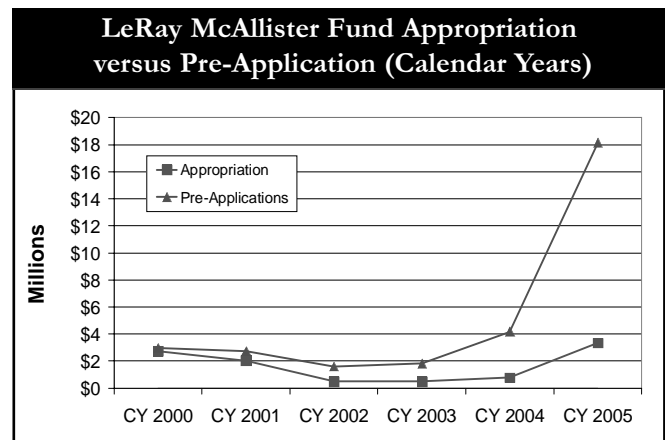
- Gain economies of scale and consistency in application of federal rules by transferring 165 human resource employees from individual agencies to the DHRM internal service fund (ISF)

Replace one-time funding for ongoing needs with ongoing funding

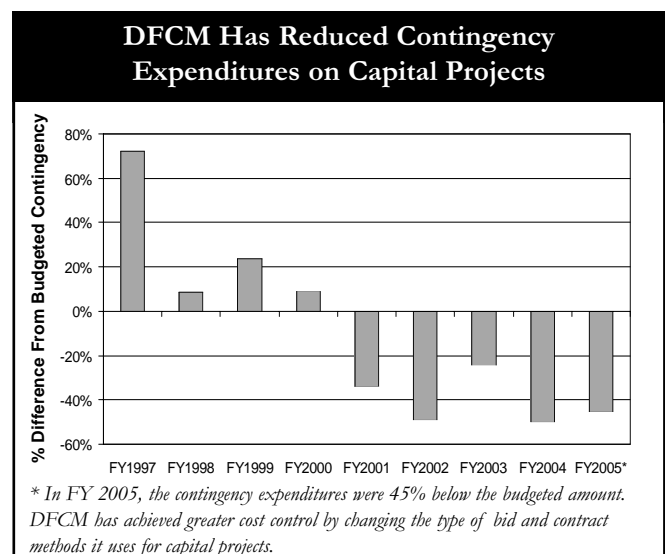
- Restore \$1,092,000 ongoing General Fund to DFCM for operating costs currently being funded by one-time capital reserve funds
 - Capital reserve funds are provided by statute to fund project change orders and unforeseen costs or conditions. Reserve funds are included as part of the original cost of a project. Unexpended reserve funds are available for the legislature to appropriate to other projects.
 - Over the past year construction costs have increased substantially, especially in concrete and steel. This has caused uncertainty about the amount of capital reserve funds available for DFCM operating costs.



Recommended FY 2006 is higher because of carryforward balances of \$4.0 million for the Salt Lake County convention facility and \$5.3 million for Finance computer systems. The Finance computer system carryforward is mainly for the new FINET system expected to come on line in July 2006.



Demand continues to increase at a rate greater than appropriations.



PROPOSED LEGISLATIVE INTENT LANGUAGE AND INTERNAL SERVICE FUNDS

FY 2006 Proposed Legislative Intent

Department of Administrative Services

- Funds for the Office of Child Welfare Parental Defense are nonlapsing.
- Proceeds from the privatization and sale of Copy Services equipment shall be returned to the Division of Purchasing and General Services, less a negotiated fee to cover the Surplus Property costs for processing and handling.
- The Division of Risk Management is authorized to increase its number of vehicles by one.

FY 2007 Proposed Legislative Intent

Department of Administrative Services

- Funds for the Executive Director's Office are nonlapsing.
- Funds for the Division of Administrative Rules are nonlapsing.
- Funds for Archives are nonlapsing and shall be used to digitize and microfilm documents generated by former Utah governors for preservation and access.
- The DFCM ISF may add up to three full-time equivalents (FTEs) and up to two vehicles beyond the authorized level if new facilities come online or maintenance agreements are requested. Any added FTEs will be reviewed and may be approved by the legislature in the next legislative session.
- DFCM is authorized to add two new vehicles through State Fleet Operations for use in maintaining Tooele and Ogden area buildings.

- Funds for the Division of Finance are nonlapsing and are to be used toward statewide accounting systems and an actuary study of post employment benefits.
- Funds for the Judicial Conduct Commission are nonlapsing.
- Funds for Post Conviction Indigent Defense are nonlapsing.
- Funds for LeRay McAllister Critical Land Fund are nonlapsing.
- Funds to implement the provisions of House Bill 213, *Unused Sick Leave At Retirement Amendments* (Clark, D.), passed in the 2005 General Session are nonlapsing.
- Funds for Purchasing are nonlapsing.
- Funds for DHRM are nonlapsing.

Capitol Preservation Board

- Funds for CPB are nonlapsing and shall be used for the design and construction costs associated with the State Capitol restoration.

Statewide

- Cost-of-living and discretionary salary compensation increases for FY 2007 shall become effective beginning the first pay period of FY 2007.
- A 2.0 percent compensation increase is to be used for discretionary salary increases to employees based upon performance or other salary-related issues as determined by the executive directors or commissioners of the state agencies and in accordance with the rules and procedures established by DHRM.

INTERNAL SERVICE FUND RECOMMENDATIONS

DAS includes several ISF divisions that provide products and services to state and other governmental agencies on a cost-reimbursement basis. They are set up to account for the cost of certain governmental services and to avoid duplication of effort among agencies, thus providing savings statewide. State agency budgets include funding for ISF services.

ISF divisions must receive legislative approval for rates charged to agencies, capital acquisitions, and FTEs. For FY 2007 the governor recommends the rate changes approved by the ISF rate committee. The governor also recommends FTEs and capital outlay authorizations for DAS ISF divisions as indicated on the following table.

ISF Description	Estimated Revenue	FTE Recommended	Capital Outlay Recommended
Debt Collection	\$1,407,000	5.0	\$0
General Services	12,818,600	49.0	2,408,400
DHRM	11,279,800 (a)	165.5	0
Fleet Operations	53,486,000 (b)	43.0	13,507,300
Risk Management	33,123,500 (c)	25.0	100,000
DFCM	20,512,100 (d)	122.0	51,500

(a) The FY 2007 revenue estimate includes a fee of \$520 per FTE for human resource services and \$130 per FTE for payroll services.

(b) The FY 2007 revenue estimate includes fuel rate increase of \$1,216,000.

(c) The FY 2007 revenue estimate includes liability insurance rate decreases of \$1,194,700, property insurance rate increases of \$746,000, and auto insurance rate decreases of \$35,000.

(d) The FY 2007 revenue estimate includes lease rate increases of \$187,000.

ADMINISTRATIVE SERVICES

Operating Budget

Governor Huntsman's Recommendations						
	Actual FY 2005	Authorized FY 2006	Recommended FY 2006	Base FY 2007	Ongoing and One-time Adj.	Total FY 2007
Plan of Financing						
General Fund	\$23,952,600	\$18,524,200	\$18,524,200	\$18,372,800	\$4,903,400	\$23,276,200
Transportation Fund	450,000	450,000	450,000	450,000	0	450,000
Federal Funds	0	4,500	4,500	66,700	2,300	69,000
Dedicated Credits	2,985,200	2,789,100	2,789,100	3,031,100	3,800	3,034,900
Restricted and Trust Funds	5,229,100	5,338,500	5,338,500	4,283,000	(973,700)	3,309,300
Transfers	(3,482,600)	(332,600)	(332,600)	(482,600)	(2,517,400)	(3,000,000)
Other Funds	141,400	141,400	141,400	141,400	0	141,400
Beginning Balances	6,568,600	10,525,000	10,525,000	1,870,200	0	1,870,200
Closing Balances	(10,525,000)	(1,870,200)	(1,870,200)	(207,400)	0	(207,400)
Lapsing Funds	(242,000)	(62,800)	(62,800)	(41,300)	0	(41,300)
Total Financing	\$25,077,300	\$35,507,100	\$35,507,100	\$27,483,900	\$1,418,400	\$28,902,300
Programs						
Administrative Services						
Executive Director's Office	\$818,300	\$1,006,400	\$1,006,400	\$1,004,200	(\$159,700)	\$844,500
Administrative Rules	350,300	403,000	403,000	294,700	42,600	337,300
Archives	2,035,700	2,303,400	2,303,400	2,195,700	168,500	2,364,200
DFCM - Administration	4,026,900	4,340,700	4,340,700	4,384,200	307,600	4,691,800
Finance						
Administration	10,087,600	13,696,900	13,696,900	11,216,000	604,300	11,820,300
Mandated - Judicial Conduct Comm.	230,600	231,700	231,700	232,100	15,800	247,900
Mandated - Indigent Defense	44,600	74,000	74,000	74,000	0	74,000
Mandated - Other	3,594,200	5,514,500	5,514,500	532,600	2,517,400	3,050,000
Human Resource Management	3,172,600	3,744,000	3,744,000	3,770,000	185,100	3,955,100
Purchasing	1,383,900	1,557,800	1,557,800	1,474,900	138,700	1,613,600
Parental Defense	111,300	127,700	127,700	0	0	0
Transfer Appropriations to Other Funds	(3,482,600)	(332,600)	(332,600)	(482,600)	(2,517,400)	(3,000,000)
<i>Subtotal Administrative Services</i>	<i>22,373,400</i>	<i>32,667,500</i>	<i>32,667,500</i>	<i>24,695,800</i>	<i>1,302,900</i>	<i>25,998,700</i>
Capitol Preservation Board						
Operations	2,703,900	2,839,600	2,839,600	2,788,100	115,500	2,903,600
<i>Subtotal Capital Preserv. Board</i>	<i>2,703,900</i>	<i>2,839,600</i>	<i>2,839,600</i>	<i>2,788,100</i>	<i>115,500</i>	<i>2,903,600</i>
Total Budget	\$25,077,300	\$35,507,100	\$35,507,100	\$27,483,900	\$1,418,400	\$28,902,300
% Change from Authorized FY 2006 to Total FY 2007						(18.6%)
FTE Positions	--	230.7	230.7	228.5	0.0	228.5

ADMINISTRATIVE SERVICES

Capital Budget

Governor Huntsman's Recommendations							
	Actual FY 2005	Authorized FY 2006	Supple- mentals	Recommended FY 2006	Base FY 2007	Ongoing and One-time Adj.	Total FY 2007
Plan of Financing							
General Fund	\$78,516,900	\$50,902,800	\$37,302,000	\$88,204,800	\$53,600,800	\$26,579,800	\$80,180,600
School Funds	17,000,000	21,050,000	0	21,050,000	40,258,800	(14,195,500)	26,063,300
Transportation Fund	0	0	0	0	0	1,746,400	1,746,400
Federal Funds	1,024,300	1,383,800	0	1,383,800	0	0	0
Restricted and Trust Funds	3,051,000	919,000	0	919,000	0	0	0
Total Financing	\$99,592,200	\$74,255,600	\$37,302,000	\$111,557,600	\$93,859,600	\$14,130,700	\$107,990,300
Projects							
Statewide capital improvements	\$43,976,900	\$56,161,600	\$0	\$56,161,600	\$56,161,600	\$6,759,700	\$62,921,300
Ongoing funds to apply to one-time projects	0	0	0	0	37,698,000	(37,698,000)	0
Corrections - capital improvements	1,024,300	0	0	0	0	0	0
Corrections - inmate training facilities	1,540,000	0	0	0	0	0	0
CPB - Capitol restoration	50,000,000	0	12,302,000	12,302,000	0	37,698,000	37,698,000
DNR - Carbon County land	250,000	0	0	0	0	0	0
DWS - Logan employment center	2,801,000	0	0	0	0	0	0
Corrections - CUCF 288-bed facility	0	14,600,000	0	14,600,000	0	0	0
Courts - Provo land purchase	0	225,000	0	225,000	0	0	0
DHS - Development Center housing	0	2,575,000	0	2,575,000	0	0	0
DNR - fire management facility	0	694,000	0	694,000	0	0	0
Corrections - CUCF prison expansion	0	0	20,000,000	20,000,000	0	0	0
DNR - Midway fish hatchery	0	0	5,000,000	5,000,000	0	0	0
DABC - Holladay store replacement	0	0	0	0	0	4,446,000	4,446,000
DABC - Kimball Junction store expansion	0	0	0	0	0	1,292,000	1,292,000
DABC - Redwood Road store expansion	0	0	0	0	0	1,633,000	1,633,000
Total Budget	\$99,592,200	\$74,255,600	\$37,302,000	\$111,557,600	\$93,859,600	\$14,130,700	\$107,990,300
% Change from Authorized FY 2006 to Total FY 2007							45.4%

Capital facility projects (except for Higher Education, Public Education, and Transportation) are included in the Administrative Services budget because they are administered by the Division of Facilities Construction and Management, a division of the Department of Administrative Services.

ADMINISTRATIVE SERVICES

ADMINISTRATIVE SERVICES FY 2007 OPERATING BUDGET									
Beginning Base Budget									
	General Fund	School Funds	Transportation Fund	Dedicated Credits	Restricted Funds	Other Funds	Total Funds		
A1	FY 2006 appropriated budget		\$0	\$450,000	\$2,329,600	\$5,338,500	\$2,012,400	\$26,296,300	
A2	Adjustments for one-time FY 2006 appropriations		0	0	0	(1,047,800)	(150,000)	(1,306,500)	
A3	Adjustments for extra working day		0	0	(2,400)	(7,700)	0	(52,200)	
A4	Adjustments to funding levels		0	0	415,000	0	(656,800)	(241,800)	
Total Beginning Base Budget - Administrative Services									
	16,015,000	0	450,000	2,742,200	4,283,000	1,205,600	24,695,800		
Statewide Ongoing Adjustments									
A5	Cost-of-living adjustments of 2.5%	307,100	0	0	17,700	28,500	0	353,300	
A6	Discretionary salary increase funding	222,000	0	0	14,200	21,200	0	257,400	
A7	Internal service fund adjustments	(5,100)	0	0	0	4,500	0	(600)	
A8	Human resources consolidation adjustments	(159,100)	0	0	(68,500)	(2,400)	0	(230,000)	
A9	Health insurance rate adjustments	182,000	0	0	10,400	17,600	0	210,000	
A10	Termination pool rate adjustments	443,100	0	0	25,400	41,300	2,300	512,100	
A11	Retirement rate adjustments	80,200	0	0	4,600	7,600	0	92,400	
	Subtotal Statewide Ongoing Adjustments - Administrative Services	1,070,200	0	0	3,800	118,300	2,300	1,194,600	
Ongoing Adjustments									
A12	E-rules system maintenance	10,000	0	0	0	0	0	10,000	
A13	Increase to Administrative Rules for compensation adjustment	8,300	0	0	0	0	0	8,300	
A14	Increase for State Records Center lease	25,000	0	0	0	0	0	25,000	
A15	Restore General Fund replaced by Capital Projects Fund in FY 2003	1,092,000	0	0	0	(1,092,000)	0	0	
A16	U.S. Postal Service rate increase	15,000	0	0	0	0	0	15,000	
	Subtotal Ongoing Adjustments - Administrative Services	1,150,300	0	0	0	(1,092,000)	0	58,300	
One-time Adjustments									
A17	Alternative dispute resolution training	20,000	0	0	0	0	0	20,000	
A18	Increase funds to LeRay McAllister Critical Land Conservation Fund	2,517,400	0	0	0	0	(2,517,400)	0	
A19	Detailed employee benefit study	30,000	0	0	0	0	0	30,000	
	Subtotal One-time Adjustments - Administrative Services	2,567,400	0	0	0	0	(2,517,400)	50,000	
Total FY 2007 Administrative Services Adjustments									
	4,787,900	0	0	3,800	(973,700)	(2,515,100)	1,302,900		
Total FY 2007 Administrative Services Operating Budget									
	\$20,802,900	\$0	\$450,000	\$2,746,000	\$3,309,300	(\$1,309,500)	\$25,998,700		
ADMINISTRATIVE SERVICES FY 2007 CAPITAL BUDGET									
Base Budget									
A20	FY 2006 appropriated budget	\$50,902,800	\$21,050,000	\$0	\$0	\$919,000	\$1,383,800	\$74,255,600	
A21	Adjustments for one-time FY 2006 appropriations	2,698,000	19,208,800	0	0	(919,000)	(1,383,800)	19,604,000	
Total FY 2007 Admin. Services Capital Base Budget									
	53,600,800	40,258,800	0	0	0	0	0	93,859,600	

ADMINISTRATIVE SERVICES - CONTINUED

		General Fund	School Funds	Transportation Fund	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
Ongoing Adjustments								
A22	Increase capital improvement funds mandated by statute	0	5,013,300	1,746,400	0	0	0	6,759,700
A23	Funding shift	19,208,800	(19,208,800)	0	0	0	0	0
	<i>Subtotal Ongoing Capital Adjustments - Administrative Services</i>	19,208,800	(14,195,500)	1,746,400	0	0	0	6,759,700
One-time Adjustments								
A24	Ongoing capital development funding applied to one-time projects	(37,698,000)	0	0	0	0	0	(37,698,000)
A25	CPB - Capitol restoration	37,698,000	0	0	0	0	0	37,698,000
A26	DABC - Holladay store replacement	4,446,000	0	0	0	0	0	4,446,000
A27	DABC - Kimball Junction store expansion	1,292,000	0	0	0	0	0	1,292,000
A28	DABC - Redwood Road store expansion	1,633,000	0	0	0	0	0	1,633,000
	<i>Subtotal One-time Capital Adjustments - Administrative Services</i>	7,371,000	0	0	0	0	0	7,371,000
	Total FY 2007 Admin. Services Capital Adjustments	26,579,800	(14,195,500)	1,746,400	0	0	0	14,130,700
Total FY 2007 Administrative Services Capital Budget		\$80,180,600	\$26,063,300	\$1,746,400	\$0	\$0	\$0	\$107,990,300
ADMINISTRATIVE SERVICES FY 2006 CAPITAL BUDGET ADJUSTMENTS								
Supplemental Adjustments								
A29	Corrections - Central Utah Correctional Facility prison expansion	\$20,000,000	\$0	\$0	\$0	\$0	\$0	\$20,000,000
A30	CPB - Capitol restoration	12,302,000	0	0	0	0	0	12,302,000
A31	DNR - Midway fish hatchery	5,000,000	0	0	0	0	0	5,000,000
	<i>Subtotal Supplemental Capital Adjustments - Administrative Services</i>	37,302,000	0	0	0	0	0	37,302,000
Total FY 2006 Administrative Services Capital Adjustments		\$37,302,000	\$0	\$0	\$0	\$0	\$0	\$37,302,000
CAPITOL PRESERVATION BOARD FY 2007 OPERATING BUDGET								
Beginning Base Budget								
A32	FY 2006 appropriated budget	\$2,358,400	\$0	\$0	\$288,900	\$0	\$141,400	\$2,788,700
A33	Adjustments for extra day	(600)	0	0	0	0	0	(600)
	Total Beginning Base Budget - Capitol Preservation Board	2,357,800	0	0	288,900	0	141,400	2,788,100
Statewide Ongoing Adjustments								
A34	Cost-of-living adjustments of 2.5%	4,500	0	0	0	0	0	4,500
A35	Discretionary salary increase funding	1,400	0	0	0	0	0	1,400
A36	Internal service fund adjustments	7,600	0	0	0	0	0	7,600
A37	Human resources consolidation adjustments	2,200	0	0	0	0	0	2,200
A38	Health insurance rate adjustments	3,100	0	0	0	0	0	3,100
A39	Termination pool rate adjustments	2,500	0	0	0	0	0	2,500
A40	Retirement rate adjustments	1,200	0	0	0	0	0	1,200
	<i>Subtotal Statewide Ongoing Adj. - Capitol Preservation Board</i>	22,500	0	0	0	0	0	22,500

ADMINISTRATIVE SERVICES - CONTINUED

Ongoing Adjustments									
A41	Office increases	8,000	0	0	0	0	0	0	8,000
Subtotal Ongoing Adjustments - Capital Preservation Board									
		8,000	0	0	0	0	0	0	8,000
One-time Adjustments									
A42	Commemorative book	35,000	0	0	0	0	0	0	35,000
A43	Printed materials	50,000	0	0	0	0	0	0	50,000
Subtotal One-time Adjustments - Capital Preservation Board									
		85,000	0	0	0	0	0	0	85,000
Total FY 2007 Capital Preservation Board Adjustments									
		115,500	0	0	0	0	0	0	115,500
Total FY 2007 Capital Preservation Board Operating Budget									
		\$2,473,300	\$0	\$0	\$288,900	\$0	\$141,400	\$0	\$2,903,600
ADMINISTRATIVE SERVICES TOTALS									
FY 2007 Operating Base Budget									
		\$18,372,800	\$0	\$450,000	\$3,031,100	\$4,283,000	\$1,347,000	\$27,483,900	
FY 2007 Operating Ongoing and One-time Adjustments									
		4,903,400	0	0	3,800	(973,700)	(2,515,100)	1,418,400	
FY 2007 Operating Recommendation									
		23,276,200	0	450,000	3,034,900	3,309,300	(1,168,100)	28,902,300	
FY 2007 Capital Base Budget									
		53,600,800	40,258,800	0	0	0	0	93,859,600	
FY 2007 Capital Ongoing and One-time Adjustments									
		26,579,800	(14,195,500)	1,746,400	0	0	0	14,130,700	
FY 2007 Capital Recommendation									
		80,180,600	26,063,300	1,746,400	0	0	0	107,990,300	
FY 2006 Capital Adjustments									
		37,302,000	0	0	0	0	0	37,302,000	